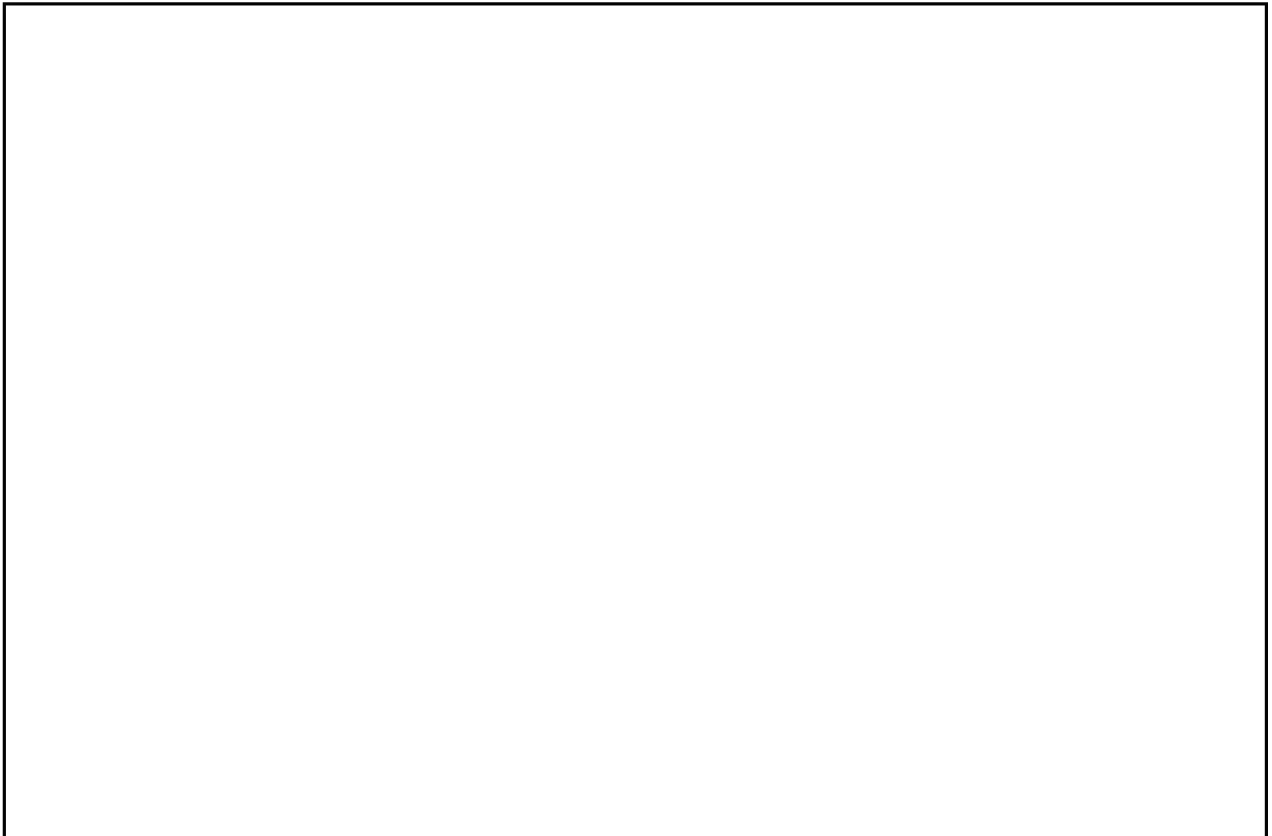


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Copy No. 14

9 September 1963

MEMORANDUM FOR: Special Assistant to the President
for National Security Affairs

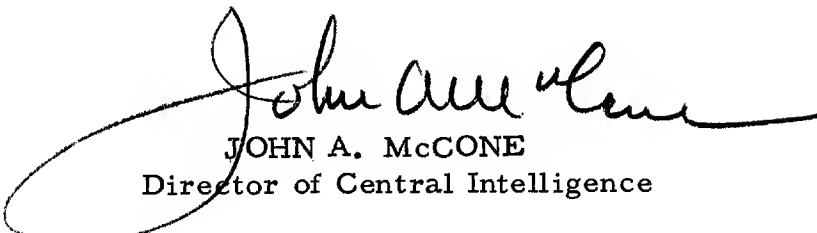
SUBJECT : United States Foreign Intelligence Objectives

Attached is the report of assessment of programs and plans for action to accomplish the intelligence objectives summarized in the enclosure to your memorandum of June 17th, 1963.

Successive drafts of the report were furnished the components of USIB concerned with the intelligence objectives (CIA, DIA, NSA, and INR).

The Deputy Director of Central Intelligence and the Director, National Security Agency, concur in the report as presented. The Director, Defense Intelligence Agency, and the Director of Intelligence and Research, Department of State, concur in the basic report but have submitted supplemental comments which appear at Tab B and Tab C, respectively.

A copy of this memorandum, together with copies of the report, has been forwarded to the Chairman, President's Foreign Intelligence Advisory Board.

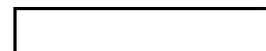

JOHN A. McCONE
Director of Central Intelligence

Attachment:

[REDACTED]

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I. & II. EARLY WARNING AND CURRENT INTELLIGENCE

Objectives

"That, in view of the transcendent importance of early warning and of the fullest possible exploitation of indicators, the U.S. intelligence community seek the improvement and refinement of procedures for providing adequate early warning of crisis situations and timely appraisals of current intelligence concerning such situations."

"That concerted efforts be made to devise an effective mechanism for the integrated assessment (including periodic cumulative assessments) of early warning and indicator type data, and the prompt transmission of adequate analyses and appraisals of current intelligence to appropriate officials having policy or command responsibilities."

Response

1. We have chosen to treat objectives 1 and 2, concerned with early warning and with current intelligence, in a single response, because no clear line can be drawn separating the former from the latter. The two objectives may be further broken down into four specific goals:

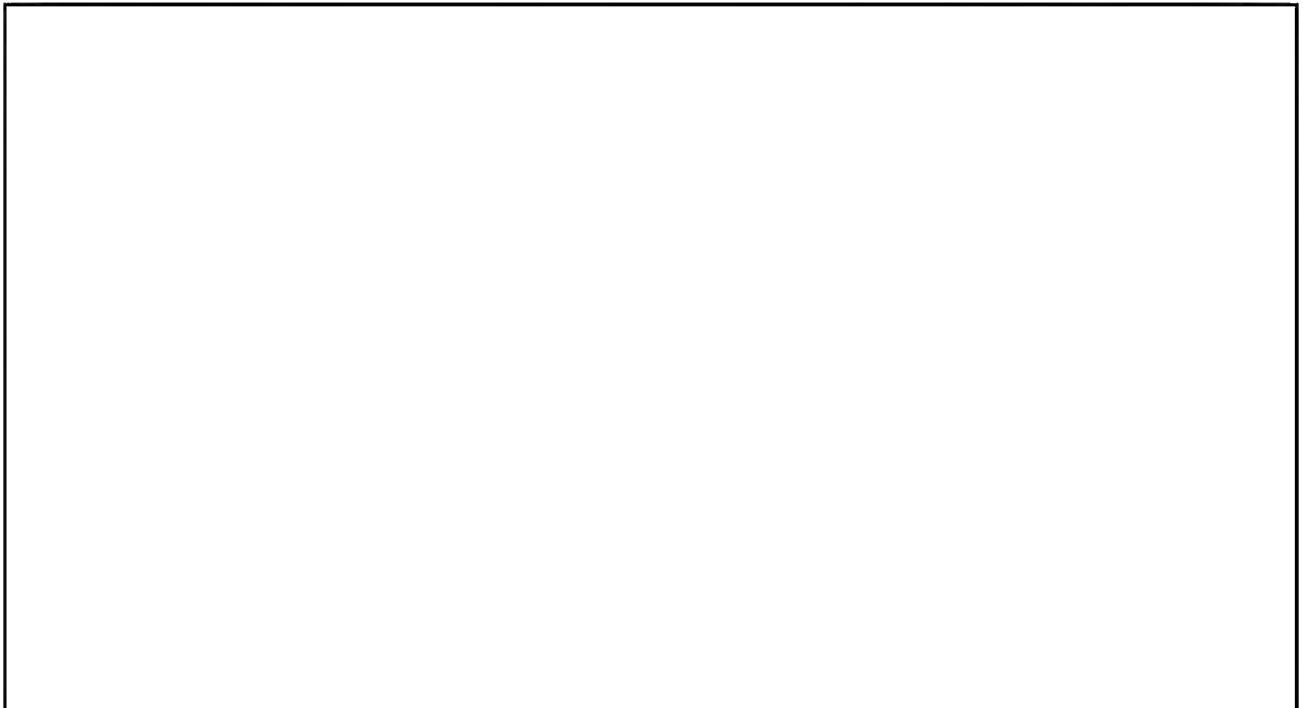
a. Improvement and refinement of procedures for providing adequate early warning of crisis situations.

b. Improvement and refinement of procedures for providing timely appraisals of current intelligence concerning crisis situations.

c. Devise an effective mechanism for the integrated assessment (including periodic cumulative assessments) of early warning and indicator type data.

d. Prompt transmission of adequate analyses and appraisals of current intelligence to appropriate officials having policy or command responsibilities.

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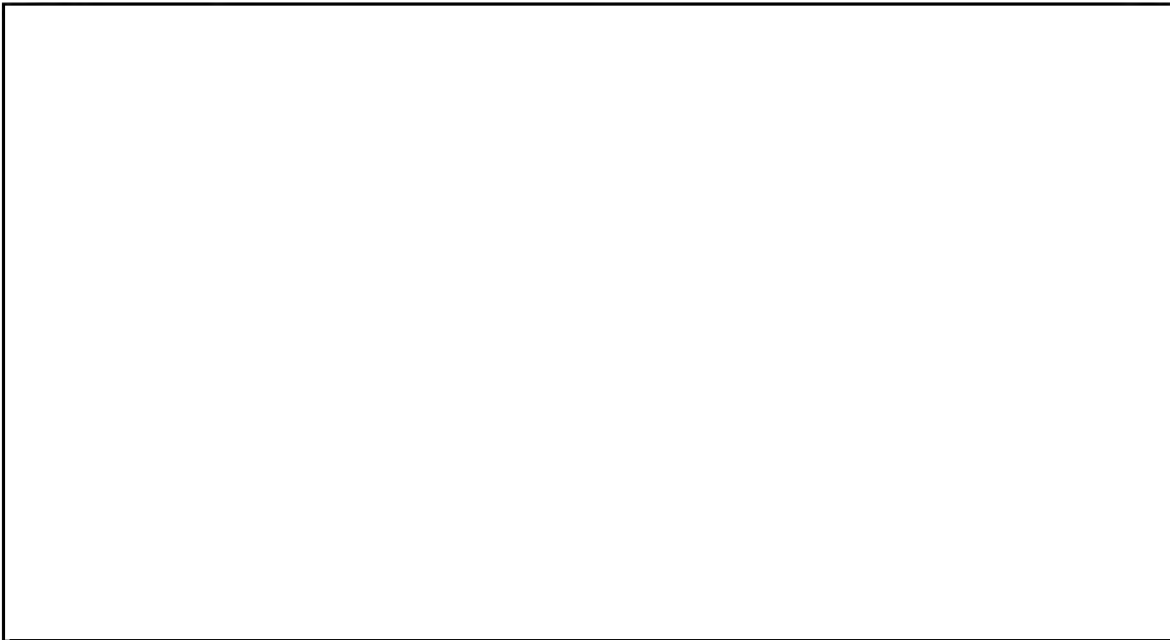


3. Additionally, the National Indications Center provides the 24-hour indications watch for the USIB's Watch Committee, which meets weekly or more often if necessary.

4. Our watch and warning mechanisms are manned by personnel carefully selected for their dedication and their ability to handle their assigned responsibilities. However, the highly-trained career indications specialist is a key commodity in the intelligence labor market, therefore scarce. Such people are indispensable to the system and more of them must be found.

- 2 -

5. The systems are constantly undergoing revision to accommodate changing requirements and to incorporate new thoughts for improvements.



b. Some months ago, as a result of concern over the gap between estimates and current intelligence reporting, CIA's Current Intelligence Weekly Review, DIA's Intelligence Summary and Intelligence Bulletin, and the Department of State's Research Memoranda were revised to focus intelligence and analysis more directly on specific topics of interest to the policy-maker. This change, which was accomplished within the framework of existing publications, yields cumulative assessments on individual topics. We think this procedure, now being followed regularly, provides a needed assessment when a National Estimate has been overtaken by events as evidenced by current intelligence reporting.

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6. With respect to specific goal "c", devising an effective mechanism for the integrated assessment of early warning and indicator type data, the USIB does have a carefully-devised, integrated mechanism as discussed below; however, if the objective is to provide precise advance warning of intent to initiate hostilities, we are much less confident of our ability to reach this goal. The USIB's National Indications Center constantly reviews intelligence for early warning indicators. Its Watch Committee, chaired by the Deputy Director of Central Intelligence, meets weekly or more frequently when necessary. The Committee's Watch Reports are reviewed and approved by the USIB. One deficiency that came to our attention anew in the course of this reassessment is the fact that the Department of State is not represented in the National Indications Center. We believe it should be and urge that a way be found of getting around the budget restrictions that make it impossible for it to participate now.

7. Despite the effort devoted to the warning process, the conclusions reached in the Warning Survey, prepared by the Director of the National Indications Center and approved by USIB on 21 March 1961 remain valid. The thrust of those conclusions was that there is reasonable expectation that the intelligence community will be able to recognize an increased state of Soviet readiness to initial hostilities, but that the provision of precise advance warning of an actual intention to commence hostilities is less likely. Part of this uncertainty stems

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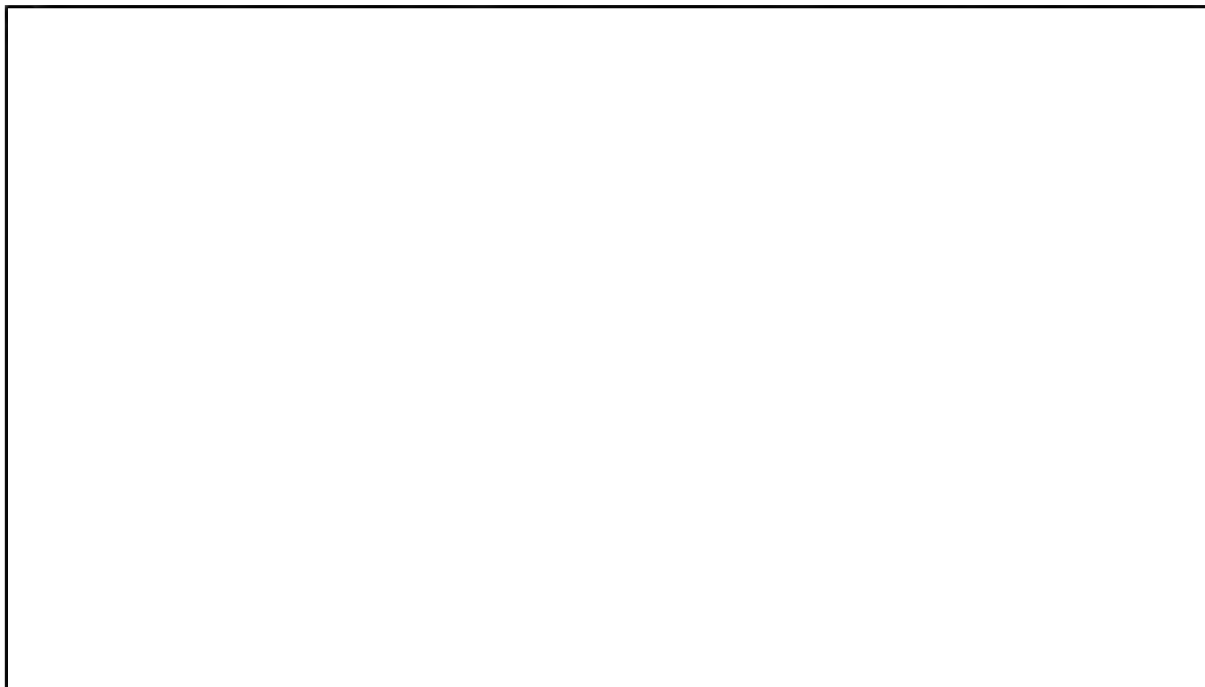
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from the extreme difficulty of distinguishing realistic exercises from actual combat deployments and raising of combat readiness of Soviet forces. It is likely that Soviet preparations for war would be undertaken insofar as possible under the guise of exercise activity. Moreover, as the Soviets place greater dependability on missile warfare, with missiles in place and ready to go, military activity normally associated with preparation for imminent war is less necessary, hence less visible.

8. We do not hold that any of our systems is perfect, nor do we expect that one ever will be. Moreover, we doubt that real progress can be made through procedural modifications. Real advances in the quality of early warning can be achieved only through improved ability to acquire information from within the Communist Bloc (particularly



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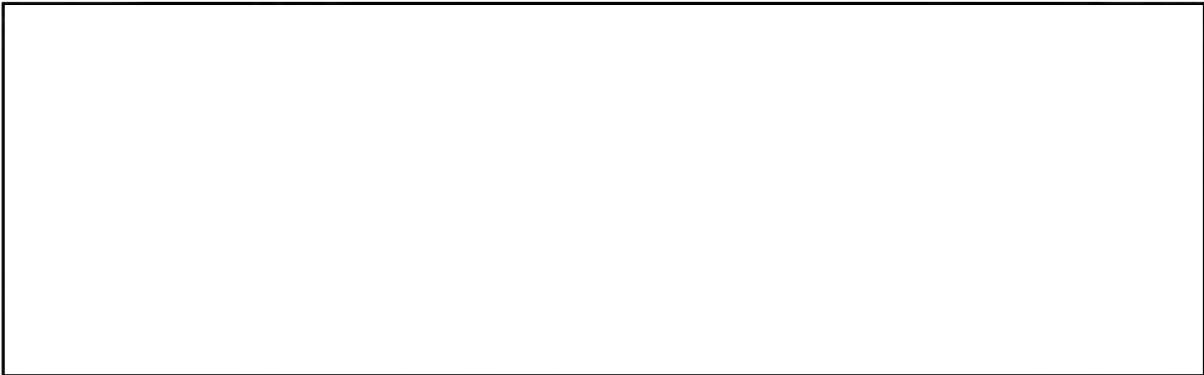
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III. AUTOMATIC DATA PROCESSING

Objective

"That research be intensified to determine the usefulness of data processing techniques, including mechanized title or summary sentence permutation, to facilitate review and assessment of the great volume of material that must be dealt with in the intelligence community."

Response

1. The pursuit of this objective is one of our most demanding tasks, affecting as it does our ability to achieve other of the objectives. It has high priority and we intend to continue to expand present programs to assist the intelligence analysts to effectively use the voluminous information that must be handled. While the computer has definite limitations, its capability to store, process, and deliver increasingly sophisticated correlations of subjects, titles, names, date and time sequences, commodities, and the like is well established. We have, therefore, been steadily increasing the uses of equipment, by which means we can extend the capabilities of the individual analyst.

2. USIB has for the past year been conducting a study of the community's information processing systems in an effort to improve and make compatible the handling of information among the several agencies. This study, plus further detailed investigations, will provide the community with essential information concerning the

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objectives, capabilities and common problems of intelligence information processing systems, which is now lacking. Research in this field continues at a very high level.

3. Examples of encouraging progress are:



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b. NSA has been conducting experiments in capturing titles of reports automatically and preparing permuted word indexes (i.e., indexes that may be searched upon any word in the title.)

c. Similar experiments are being conducted by the Air Force in its Foreign Technology Division and at SAC and NORAD.

d. An operational system based on this principle is in prospect on a limited scale in the DIA Current Intelligence and Indications Center.

e. The Department of State is developing a pilot system covering Cuban affairs based on a computer and designed to produce permuted subject indexes for the analyst.

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f. In NPIC, a computer-supported system brings all pertinent data on each target (what is known and what is needed) to the elbow of the photo-interpreter as he examines new photography.

4. The Director of Central Intelligence and the members of USIB are very much concerned over the security aspects of rapid expansion of automatic data processing techniques in the handling of intelligence information. Such techniques permit easy and indiscriminate reproduction and distribution of sensitive intelligence, which could quickly lead to degrading its security. The hazard is somewhat reduced by storing only minimum index data in the computer and keeping the documents themselves in controlled files. Additional security is gained by strictly compartmenting the machines and persons handling specially sensitive material.

5. Our problems have largely to do with the processing of language, while automatic equipment is essentially designed to handle numbers. The availability of first-rate researchers in automatic language processing is very limited. We have a considerable capability in this field and have taken steps to acquire additional in-house expertise in language processing, but it will be some time before the full effect is felt. Equipment manufacturers are being encouraged to assist.

6. The most significant problem in the present period is that of organization. When the magnitude of the automatic data processing

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problem is considered, with the near certainty that it will continue to grow, collective efforts within the community will become increasingly important and will call for a coordinated effort under the general guidance of USIB. Therefore, the USIB will:

a. Consider the feasibility of establishing a national service of common concern to centrally index all documents now being processed on a decentralized basis. The index data so developed would be available to all of the members of the community.

b. Consider organizing a small permanent group of technical experts from within the community whose sole responsibility would be to concentrate on technical information processing problems in the community.

7. The USIB further will undertake to accelerate external research in perfecting the art of processing language automatically. Extensive research has been supported in this field for nearly a decade. This will continue and the support of the Office of Science and Technology and the National Science Foundation, which has been solicited, should materially assist our efforts. To assure positive results, insofar as possible, with this extraordinarily difficult problem, the community has formed a Joint Advisory Group on Automatic Language Processing to coordinate Government-supported research in this field.

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IV. NATIONAL INTELLIGENCE ESTIMATES

Objective

"That the existing methods of arriving at national intelligence estimates be re-examined to ensure that, in the national intelligence estimative process: (a) all indicators and other pertinent intelligence data are available and are utilized; (b) the viewpoints of constituent members of the intelligence community are given thorough consideration and are reflected fully in finished estimates in all instances where significantly divergent conclusions have been reached; (c) every precaution is taken to guard against adherence to an isolated set of opinions or preconceived notions; (d) the United States Intelligence Board keep under continuing review all possibilities for improving estimates and making them more useful; and (e) members of the United States Intelligence Board guide and supervise the work of estimating staffs to the end that crucial estimates are promptly revised and circulated whenever new evidence indicates the need therefor."

Response

1. The above questions concerning National Intelligence Estimates has given the Director of Central Intelligence the greatest of concern. The most important ingredient for the production of an intelligence estimate is the employment of highly qualified and intelligence-minded men whose purpose is to present their best objective judgment upon the complex questions normally involved in the preparation of an estimate. In this respect we feel that the Director of Central Intelligence and the United States Intelligence Board are well served for the Board of National Estimates is well equipped with men of such qualifications and capabilities. Moreover, USIB itself reviews each and every estimate in meticulous detail, with each member of USIB preserving and

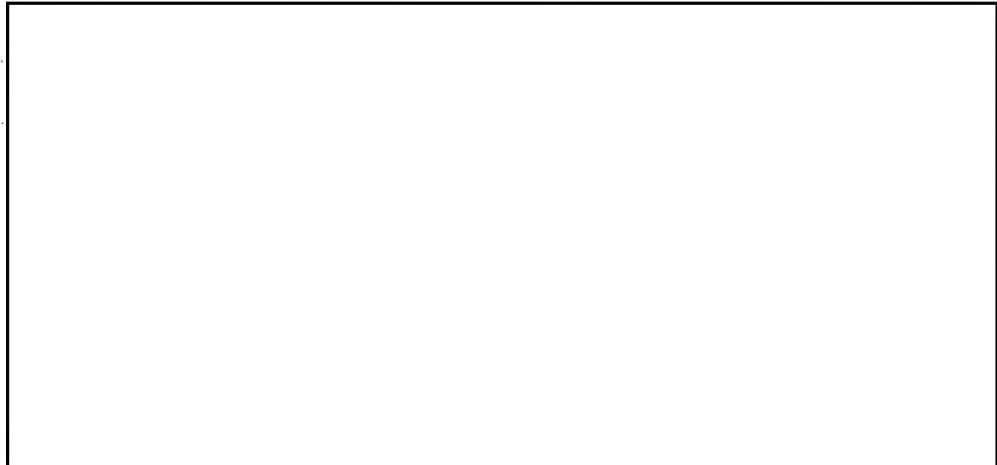
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exercising his right of dissent and his privilege to express such dissents, which is frequently done through footnotes to the estimates.

2. A review of a great number of estimates prepared by the Board of National Estimates, and finally approved by USIB, over a period of years has proven that the record is good and that the estimates of a variety of situations, complex and obscure as they are, have proven to be remarkably accurate.

3. However, in view of the recommendation of the President's Advisory Board, the Director of Central Intelligence convened a special panel of highly qualified individuals to comment and to report on the estimating procedures of USIB. This panel was composed of:



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4. The panel's report is attached at Tab A and represents the acceptable viewpoint on some of the questions raised by this particular objective.

5. Constant improvement in the estimating process is basic in the Director of Central Intelligence's consideration of the problem.

To that end, important additions have been made to the personnel of the Board of National Estimates [REDACTED] and [REDACTED] for example), and the use of consultants on important problems is a continuing practice (the [REDACTED] panel on Soviet long-range striking force, the [REDACTED] panel on Soviet nuclear capability, the [REDACTED] panel on Chinese Communist nuclear capability, etc.). However, estimates which must deal with the imponderables of just what goes on in the minds of the leaders of a foreign power or the people of a foreign country are extremely difficult to formulate with precision; hence, those responsible for the intelligence function must always be sure that: (a) most qualified objective men are engaged in the preparation and consideration of the estimates, (b) all pertinent intelligence and other information is considered in the preparation of the estimate, and (c) the process is kept under constant review for possible improvement.

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A

22 July 1963

Dear Mr. McCone:

I enclose the report of the committee of consultants which you appointed to examine the estimative process in the light of the Cuban experience and to make recommendations for improving it.

Sincerely yours,

/signed/

[redacted]

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Contents:

Introduction
Recommendations
Annex A, "Preconceived Notions"
Annex B, Rejected Proposals

[redacted]

Tab A

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INTRODUCTION

1. On 17 May, 1963, the Director of Central Intelligence asked

[REDACTED]
[REDACTED] to examine the estimative process in the light of the

Cuban experience, and to make recommendations for improving it.

[REDACTED] received a form of consultant's contract not compatible with his other commitments and this mistake was not corrected in time to make it possible for him to serve on the committee. The other three members of the committee met for three days (8, 9, and 10 July 1963), in the office of ONE, exchanged draft proposals during the next week, and met again on 18 July to discuss the final form of their report.

2. It is obvious that no thorough investigation of the estimative process could be made in this brief period. A number of estimates dealing with Cuba and the USSR were read, two development files were studied, and a few members (or former members) of ONE were interviewed. As consultants, the members of the committee have read, over the past few years, a number of estimates, both in final and in draft form.

In addition, [REDACTED] was a member of the Board of National Estimates

[REDACTED] Nevertheless, none of us feels that he is in any position to make emphatic and final judgments about existing estimative procedures.

3. Two of the committee believe that a study in depth of the estimative process by a small group of informed outsiders (not ourselves, we hasten to add) might yield valuable results. Such a study would require access to all constituents of the intelligence community and knowledge of personnel as well as procedures. It would take several weeks, if not months. For these reasons the third member of the committee believes the project is not feasible, and he doubts that it would be useful.

4. The discussion and suggestions which follow are only opinions offered by partially informed outsiders. Perhaps we are fairly typical consumers, and our report might be taken as representing the reactions of some consumers to estimates. But we should emphasize that we have not studied the problem in depth, and that therefore many of our suggestions may be superfluous, impractical, or just wrong-headed. We should also emphasize that our suggestions deal almost entirely with details of procedure, and that even the best procedure will not guarantee good estimates. The essential thing is to find and retain men who have wide knowledge, broad vision and good judgment. As long as the intelligence community has such men it will do a good job, whatever its procedures.

[REDACTED]

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RECOMMENDATIONS

The best way to remedy any deficiencies which occur in the estimative process is to have full and careful discussion of each problem. In theory the present machinery should ensure such a discussion. In practice, we believe that there are some obstacles and we offer the following suggestions as means of reducing or removing these obstacles.

1) Cut down the number of coordinated papers.

Men who have too much to do in too short a time may not see all possibilities or sense the full impact of changed conditions. Pressure to meet deadlines forces limitation of discussion. Effort devoted to trivial papers means less time and energy for major problems. It would require more knowledge than we possess to determine what papers should be eliminated, but we suspect that many "country papers" fall in this category. We also suspect that requests for coordinated papers are made, and accepted, too easily. But in any case, there is overloading and it has bad results.

(Note that we do not recommend any increase in personnel. The number of people now involved in the estimative process is about as large as can be used efficiently. More people would simply mean more specialization and more meetings. What is needed is the

- R1 -

overall view and time in which to develop it and discuss it. This can be done only by a small group of carefully selected men).

2) Make sure that there are always men with a wide variety of views and experience on the Board of National Estimates. The present distribution of membership on the Board seems well designed to achieve this end. As we understand it, it includes a core of men with long experience in intelligence, other men who have worked in the foreign or armed services, and a younger group who will move on to other positions after a few years on the Board. We suggest that it might be helpful when there are vacancies to add two or three rotating members who would serve for only a year or so. These men could be borrowed from other branches of the government or from universities. If properly selected, they could contribute new ideas and encourage re-examination of accepted formulae.

3) Make sure that diverse opinions of other members of the community are fully represented in contributions and coordination meetings. Here our knowledge is limited and our recommendations are only tentative. We believe that

- R2 -

that the problem of overloading is even more serious outside CIA than inside. Some representatives apparently have little time to inform themselves or to think about the problems which they are supposed to discuss. We are also uneasy about the tendency to concentrate military contributions in the DIA. There are often sharp differences of opinion among the armed services. Expression of these differences can be very helpful in forming sound judgments.

4) Call in a small group of consultants when difficult problems are to be discussed. We advance this idea with some hesitation and we realize that it might cause more trouble than it was worth. But it might be a way of getting new points of view and of avoiding blind spots. Two or three consultants would probably have a greater impact than a single outsider who might hesitate to contradict the insiders.

5) Indicate in some way when earlier estimates are being quoted or paraphrased. There are many ways of doing this (footnotes, quotation marks, etc.) and any one would be satisfactory. But attention should be called to repetitions, in the hope that this would lead to re-examination of accepted positions.

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6) Be somewhat bolder in estimating the impact of U. S. policy and attitudes on the rest of the world. This is a difficult and dangerous task because it can lead to implied criticisms of U. S. policy. But it seems to us that failure to do this is one reason why preconceived ideas (which are still correct) sometimes cause faulty estimates. To be specific: if the Kremlin in the early months of 1962 had reason to think that the posture and resolution of the U. S. were weak, then it should obviously have estimated that the risks of the Cuban adventure were not unduly high. Thus the accepted doctrine that the USSR would avoid grave risks was probably correct; the error was caused by the failure to estimate that the Kremlin estimate of U. S. policy had changed.

7) Make more information about attitudes and methods of foreign intelligence organizations available to estimators. We believe, for example, that the Kremlin attaches more importance to certain kinds of evidence, and less to others, than the U. S. intelligence community would do. We suspect that what information has been acquired about Soviet intelligence procedures is not very widely disseminated. But if the Kremlin does use a peculiar scale

- R4 -

in weighing evidence and if this is not generally known, then the result is bound to be a faulty estimate. One reason for inadequate estimates on Cuba in 1962 was that the intelligence community, as a whole, believed that Soviet leaders must realize how dangerous the introduction of IRBM's and MRBM's would be. Better knowledge of Soviet intelligence procedures might have made it possible to suggest that the Kremlin was undervaluing the evidence which should have led it to this conclusion.

8) Keep a constant watch for signs that a mutation in an existing pattern is about to take place. This is probably a superfluous and useless recommendation. Certainly everyone is on the look-out for such signs and it is much easier to identify them in retrospect than at the moment when they occur. Existing patterns can accommodate themselves to a large number of new ingredients and gradual changes bring about only gradual shifts in policy. But there are some new ingredients so large or so sharp that they may break the old pattern and it is not entirely impossible to identify these. Again to be specific, in 1962 the unprecedented situation in Cuba and the Sino-Soviet dispute were probably such ingredients.

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9) Make a few validity studies in depth. At present, validity studies usually involve only a comparison between a new estimate and the immediately preceding estimate on the same topic. Often there has not been enough change in the interval between the two papers to reveal errors or biases. Our experience in studying the Cuban series of estimates leads us to believe that there would be some value in making, from time to time, a validity study of a whole group of related papers. This might expose persistent biases, rigidities, and inconsistencies. We know that one such study of a group of Soviet estimates was made some years ago. We suggest that more exercises of this sort would be useful, but with the caveat that if they became too frequent (say more than one or two a year) their value would sharply decrease. We also suggest that some of these studies be made by consultants, both to reduce the burden on the ONE Staff and to ensure a fresh point of view.

Next to the problem of full discussion comes the problem of communication. It seems to be fairly well agreed that estimates often leave less impact than they should, and that important ideas are missed by hasty readers. Nothing can be done to change the fact that everyone

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in government has too much to read and that hasty readers will always miss significant points. No one style or form of presentation will be equally effective with all readers. But perhaps something can be done to make it easier for most consumers to read estimates with more understanding.

1) Put key sentences at the beginning of each section of the estimate, e.g. "We believe that the food problem in Cuba is (is not) causing unrest." Reasons for the statement should follow. At present many important statements are made only after a long list of pro's and con's and thus lose their full impact. Conclusions, as now written, do not always remedy this fault. Perhaps a string of key sentences at the beginning of an estimate would be better.

2) Call attention to possible courses of action which might have serious consequences, even if the estimate is that they are highly unlikely. Too many readers think that "probably not" equals "never," or that "the possibility cannot be excluded" actually means that it is excluded. Positive rather than negative formulae would help, but we must confess that we are not very good at devising them. Perhaps a phrase such as "there is at least a twenty per

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cent chance that" approaches what we need. And perhaps a little more argumentation showing the advantages which might result from the adoption of unlikely courses of action would make the consumer take them more seriously.

3) Emphasize new ideas or facts. Well informed readers find much that is familiar in estimates, especially in the larger estimates. This lulls them into missing useful new material.* Perhaps some typographical device (e.g. side-lining) could be used to indicate places where significant new ideas and facts are introduced. Or perhaps more of the historical and purely descriptive material could be put in annexes.

4) Make sure that the consumer is reminded of key items in other estimates. This is probably an

*For example, there was a very important change in the Cuban estimate of 19 September, 1962 (SNIE 85-3-62). Up to that time, all estimates and memoranda had asserted that the USSR had little to gain by placing MRBM's or IRBM's in Cuba. SNIE 85-3-62, on the contrary, pointed out that the Kremlin might see decided advantages in such a deployment. But no emphasis was put on the fact that this was a changed estimate and we suspect that few readers noticed the shift. One of our group reading the Cuban estimates seriatim (which few consumers ever have time to do) still failed to observe the fact that there had been a change on this highly significant point.

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unnecessary caution, but there is some danger that drafters of an estimate will assume that consumers remember related estimates as well as they do. For example, in SNIE 85-3-62 a little more emphasis might have been placed on the fact that the estimate of the number of operational Soviet ICBM's had recently been sharply reduced.

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ANNEX A

"Preconceived Notions"

In response to one of the requests put before us, we have examined the estimates on Cuba from January 8 to September 19, 1962. It is generally acknowledged that there was a failure of intelligence, in the sense that USIB did not warn the government that the Soviets might be planning to place offensive ballistic missiles in Cuba, and indeed suggested that such a decision was unlikely, though not impossible. This failure has been widely attributed to the presence of "preconceived notions" which prevented ONE, and in fact the entire intelligence community from making a proper judgment. We therefore find it useful to make some observations on the function, utility and drawbacks of such preconceived notions. To do so is in fact indispensable to any search for remedies designed to minimize these drawbacks.

In dealing with a major country, intelligence officers approach their task with a set of expectations of likely patterns of behavior. This is especially true in the case of the Soviet Union, the most frequent target of intelligence. This set of expectations, sometimes called preconceived notions, is based on a professional knowledge of political structures, processes and personalities in the country concerned. It is the distillate of years of experience and has been tested by, and refined through, repeated intelligence estimates. It must be understood

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that the formulation of such a set of expectations about a country's likely patterns of behavior is both inevitable and indispensable. It is inevitable that, in doing their job, professionals will, more or less deliberately, build up the set. It is indispensable because the set is a most valuable tool in producing timely, coherent, articulate and, on a probability basis, accurate intelligence. If no pattern can be established, then prediction is almost impossible, and significant variations can be demonstrated only by comparison with an already accepted norm.

Nevertheless, these sets of expectations have their limitations and drawbacks. The history of intelligence is full of instances in which an opponent achieved surprise by adopting a course of action that seemed unlikely in view of the set of expectations dominant among intelligence officers. The Japanese attack in Pearl Harbor is one of the most conspicuous examples. We are not concerned here with what may be called "technical surprise." A "technical surprise" is not incompatible with the prevalent set of expectations. The surprise occurs because the opponent was successful in concealing a particular capability or in keeping a particular course of action secret. We are concerned with an opponent's behavior that surprises because it is incompatible, or seems to be incompatible, with our prevalent set of expectations. There are three possible causes of this type of surprise.

First, the opponent's basic pattern of behavior may change as a result of changes in leadership or various other important conditions,

and our set of expectations may not register this change quickly and correctly. Our set, in other words, is out-of-date. Intelligence professionals must obviously be on the alert for such changes and, generally, take care that their working set of expectations does not become obsolete, stale or unduly rigid.

Second, the opponent may act irrationally. Irrational behavior is, of course, very difficult, if not impossible to predict. It may take all sorts of directions that make no sense to the rational mind. Only if a country's leadership has a record of frequent lapses into irrationality will this observed fact become incorporated into our set of expectations. But even then the estimate of future behavior will be extremely difficult.

Third, the opponent may adopt a course of action that seems to us to be in conflict with our set of expectations, but actually is not. A set of expectations is based on the attitudes and predispositions that, we have learned, strongly affect the opponent's behavior. The important point to note is that attitudes, though they shape behavior, do not determine it. Behavior also depends upon the information which the opponent possesses. It is this information which brings his attitudes into play and which gives him a basis for calculating the advantages and disadvantages of a course of action. Hence, we may go wrong in an estimate, not because our set of expectations is faulty, but because we assume that the opponent acts on approximately the same information that we have. Clearly, to minimize

this source of possible intelligence failure, we require not only a good set of expectations but also some idea of the information that the opponent uses in his cost-gains calculus.

We do not think that the failure of the intelligence community to predict the Soviet deployment of medium range missiles resulted essentially from its set of "preconceived notions" about the Soviet Union. In our opinion, the community's set of expectations was, at that time at least, sophisticated and realistic. According to the set, the Soviet Union was considered unlikely to depart from its cautious behavior in the military field or to undertake actions involving a high risk of war with the United States. That this expectation about Soviet behavior was basically correct was, after all, confirmed by the great caution with which Khrushchev acted when the missile crisis broke in October.

Nor do we believe, as some experts have suggested, that the Soviet decision was largely irrational. It is true that the Berlin statement, Chinese criticism, and possible differences of opinion within the Soviet leadership had put Khrushchev under some pressure to score a success in foreign policy. It is also true that during the last year he has seemed somewhat less sure of himself than before and has abruptly reversed himself on several issues. But while he and other members of the top leadership may have been perplexed by current difficulties there is no evidence to suggest that they became reckless gamblers. At the most, they may have been a little more willing to take a chance than

they would have been under other circumstances. And a strong case can be made for arguing that Soviet behavior was entirely compatible with rational decision-making.

We believe that more important factors in the Soviet decision were inadequate information and, resulting from this, an erroneous assessment of the situation. They did not have the fund of information about the mood and temper of the US government and people which the intelligence community thought they must possess. They saw the balance of advantages and disadvantages differently from the way Washington officials thought they should see it. It is in this area that the intelligence community failed although we defer for the moment the question of the extent to which the community can be held accountable for the failure.

It is fairly clear in retrospect that the intelligence community both underestimated the gains that Moscow believed it could derive from introducing offensive missiles in Cuba and overestimated the risks which the Kremlin thought it ran in adopting this course of action. In reading the various estimates seriatim, we were struck by the fact that, although the question of the deployment in Cuba of Soviet medium-range missiles was raised in a Memorandum to the Director of January 8, 1962, it was concluded repeatedly until early September that the Soviet Union could not thereby add substantially to its strategic capabilities. The reason given was that targets in the United States capable of being reached by medium-range missiles from Cuba were already covered by ICBM's

deployed on Soviet territory. Only on September 6 were doubts raised about this conclusion. The Special NIE of September 19, conceded that Soviet planners might see some advantage in deploying IRBM's and MRBM's in Cuba in order to supplement the limited number of ICBM's believed to be operational in the Soviet Union. The delay in coming to this conclusion is surprising in view of the fact that it had been estimated several months earlier that the USSR had only a small number of operational ICBM's. In this situation one obvious way for the Soviet Union to supplement its small force of ICBM's was to deploy a proportion of its large supply of medium-range missiles within appropriate striking distance of the United States. We are not, in fact, sure that such a deployment constituted, objectively, a substantial improvement of their strategic position, though Soviet planners, of course, may well have thought so. We are sure, however, that the Soviet Union would have gained enormously in prestige and, indirectly, greatly in the military balance of power and deterrence, if it had succeeded in installing "offensive" missiles in Cuba and maintaining them there. Soviet leaders, like all rational leaders, must be expected to accept a higher level of risk for great gains than for small gains. We note that this was not acknowledged in the estimates we examined.

Even when it was admitted that the Soviet Union might secure possible strategic advantages by employing IRBM's and MRBM's in Cuba(SNIE 85-3-62, September 19, 1962), the conclusion remained that the Soviets were unlikely to do so because the risks would be too great

and acceptance of so great a risk would represent a sharp departure from Soviet practice. This was the crucial view that prevented assigning any high degree of probability to the course of action that the USSR pursued. However, this view was justified only if the Kremlin assessed the risk factor approximately as it was assessed in Washington. The intelligence community thought that the risk was very high. It knew it to be so. Yet it is fairly clear in retrospect that the Soviet leaders did not share this knowledge, that they assessed the risk at a lower level and that, given this assessment, their deployment of "offensive" missiles in Cuba, did not seem unduly risky to them. In that case, their action did not, as they saw it, constitute a sharp departure from their normally cautious military behavior.

The extent to which the intelligence community can be held accountable for neglecting the possible gap between their information and our information is not clear to us. Such gaps are a possible source of intelligence failure to which the professional should be alert. In retrospect it would certainly have been better if the possibility of this gap, and its possible implications, had been acknowledged in the estimates. If it had been, it might have qualified the impact of an erroneous conclusion.

On the other hand, it is patently very difficult for our intelligence services to have sufficient knowledge of Soviet intelligence to ascertain or predict intelligence failures in the Soviet Union. Moreover, there

is reason to believe that much of the intelligence community, including ONE, is not provided with such knowledge of Soviet intelligence activities, and their organization as is available to a part of the community. Yet this is the kind of knowledge which would have been required for a correct prediction of the Soviet move in Cuba.

Moreover, the intelligence officer is also handicapped in speculating about national differences in estimating the risk of particular courses of action as long as he may not take relevant United States policies fully into account, and have adequate information about these policies and their implementation to the extent that they are known, or must be assumed to be known, to the Soviet Union.

However, even if these handicaps were removed, or at least appreciably diminished, the consumer of intelligence would be wrong to expect the intelligence community to be able in all cases to obtain sufficient information on the opponent's estimates of the advantages and disadvantages of contemplated courses of action. For this reason alone, and not necessarily as a result of "preconceived notions," the best intelligence service cannot help failing from time to time. It would be unfair and utterly unrealistic, in our opinion, to expect otherwise.

On the other hand, the inevitability of occasional failure does not justify either complacency or resignation. No organization stays at the same level of performance over a long time -- if only because

of changes in personnel -- and there may always be room for improvement. There are good reasons for reviewing institutional practices from time to time with a view of raising the batting average by a few per cent.

ANNEX B

Rejected Proposals

We have considered, and have rejected as impractical, the following proposals.

- 1) "Devil's advocates", professional dissenters, etc.

We hope that the intelligence community will always include tough-minded, skeptical individuals who will advance unpopular ideas and who will query accepted doctrine. But any attempt to institutionalize this function would be self-defeating. No one can be skeptical all the time and the views of a man who was being paid to act as a professional dissenter would not carry great weight.

- 2) Dual or multiple estimates. For example, one group might make an estimate from the Soviet point of view while another estimated the same problem from the US point of view. The difficulty here is what to do in case of disagreement. Either some higher group would reach a final decision, in which case we would be back where we started, or the consumer would make a final estimate, in which case the community would have abdicated its responsibility. Moreover, there is certain artificiality about this procedure which would probably erode its value very quickly.

3) Make less effort to reach agreed language in estimates, and encourage dissents. It is possible that under pressure of time some dissents which might have been helpful are never made. But while a few footnotes are useful in alerting the consumer to the difficulties of a problem a steady diet of footnotes would blunt his attention. If there were too many points on which agreement could not be reached the consumer would have to make his own estimate and the community would again have abdicated its responsibility. In short, dissents on minor points should not be encouraged, and it seems unlikely that dissents on major points are, or could be suppressed. We note that in the Cuban estimates of 1962 (and in others which we can remember) the worst mistakes were not caused by suppressing disagreements or by watering down correct judgments in order to obtain an agreed text. They were caused by mistaken judgments which were held almost unanimously throughout the intelligence community.

4) Make more effort to keep estimates up-to-date by issuing frequent revisions. Carried to an extreme, this would obviously lead to a confusion between estimates and current intelligence. Even a moderate increase in the number of revisions would probably do more harm than good by forcing estimators to concentrate on minor fluctuations in policy rather

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than on longer-range problems. When an estimate has been overtaken by events nothing can be gained by issuing a hasty revision which simply says that the preceding estimate was wrong. When a situation has gone operational revision of earlier estimates should wait until there are some firm indications of new policies and courses of action. At this point current intelligence will give policy-makers the flow of information which they require. To refer once more to our case study, we doubt that more frequent revisions of the basic estimates on Cuba between 1 August and 19 September, 1962 would have changed the opinions held by the intelligence community in any important way.

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B



DEPARTMENT OF DEFENSE
DEFENSE INTELLIGENCE AGENCY
WASHINGTON 25, D.C.

C-65009/P

5 September 1963

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY

1. Reference your memorandum of 4 September 1963.
2. I concur in the basic report, however, I note paragraph 3, page R3, in the Committee of Consultants' report, statements which could lead to an erroneous conclusion. Relative to these statements the facts are that, although DIA normally submits the DOD input to NIEs:
 - a. The Military Services can and frequently do submit separate contributions to the Board of National Estimates.
 - b. In the drafting of NIEs the representatives of the Military Services participate fully with the BNE in considering and interpreting the evidence. At this time they make additional relevant contributions and fully express any differences of view they may have. Similar procedures are followed in the development of JCS papers.
 - c. When the NIE is being considered for approval at USIB any differing views held by an Intelligence Chief of a Military Service are fully considered and, if unresolved, are published in the NIE as expressed by the Intelligence Chief concerned.
3. It is requested that this memorandum be attached as an Annex to your report.

Joseph F. Carroll
JOSEPH F. CARROLL
Lieutenant General, USAF
Director

C

September 9, 1963

MEMORANDUM

TO: Mr. John A. McCone
Director, Central Intelligence Agency

FROM: Thomas L. Hughes
Director, Intelligence and Research

I have no trouble in concurring in general with your report to Mr. Bundy and the President's Foreign Intelligence Advisory Board, or in the responses to the questions raised and objectives posed by them. However, I do regret that your Steering Committee on this matter^{1/} has never met, and that INR participation in the earlier phases was replaced in the last three weeks by successive CIA redrafts which overran the deadlines allowed for comment.

Under the circumstances, certain language occurs in the final text on which I should like to comment. Probably the most expeditious way to note these points now is to follow your suggestion by submitting this entire memorandum as an annex, including the following comments on the text:

I and II -

^{1/} See USIB Minutes for June 26, 1963
(USIB-M-276), paragraph 10 (b) (1).

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I and II - Early Warning and Current Intelligence

Paragraph 5b (page 3) includes INR's Research Memoranda among the products of the Intelligence Community which have been "revised to focus . . . more directly on specific topics of interest to the policy maker . . . as a result of concern over the gap between estimates and current intelligence reporting . . ." Actually, as noted in each of INR's last three annual reports to the President's Board, INR Research Memoranda have been specifically tailored for relevant policy-oriented objectives from their outset in 1961. This has been our explicit concept from the beginning, and we are glad to have pioneered in it. Since we have considered this kind of research as the core of our entire productive effort, we have not found it necessary to revise our procedures or our efforts in this direction.

Paragraph 6 (page 4) refers to the lack of State Department representation in the National Indications Center as a "deficiency that came to our attention anew." As you know from our frequent discussions of this matter at USIB during the past year, we have repeatedly sought authorization and funds for these positions from the Congress. Despite the demonstrated need and repeated requests, the receptivity on

Capitol Hill

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Capitol Hill for this proposal is best summed up by the following exchange from this year's House Appropriation hearings:

MR. HILSMAN. By a National Security Council directive this Bureau is required to supply three people to this function who work and live there on a 24-hour basis. We have not had the people to do this. John McCone, Director of Central Intelligence, is very insistent that we discharge our responsibilities, so are the JCS. Three of the officer increases are for officers to man the National Indications Center.

MR. ROONEY. You might tell us about Mr. McCone and why he would not give you the money out of the unlimited budget that he has.

Consequently we particularly appreciate your suggestion in your response to the Board that "a way be found of getting around the budget restriction" to enable us to finance National Indications Center participation.

Paragraph 8 (page 5) states that "we doubt that real progress can be made through procedural modifications." While this is true, the State Department Operations Center has asked me specifically to note that in a field where many agencies share responsibilities and where rapid transmission and exchange of intelligence is vital, constant attention must be given to procedural problems to insure the most effective functioning of existing machinery.

Paragraph 9 (page 5)

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III - Automatic Data Processing

Paragraph 3e (page 8) directs attention to the fact that
the Department of State is developing a pilot system covering
Cuban affairs

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Cuban affairs based on a computer and designed to produce permuted subject indexes. Actually, it is designed to produce these permuted^{subject}/indexes, document abstracts and extracts, and political and economic facts as well.

Within the Department, three distinct but interrelated levels of authority will be served: 1) the desk officer and office director level; 2) the Coordinator of Cuban Affairs and the Assistant Secretary for Inter-American Affairs; and 3) the principal officers of the Department, including the Secretary, during periods of crises. This effort should be regarded as an operational prototype system which will be expanded after the end products have been evaluated on a trial-and-error basis by the various levels of information users.

While the lack of funds and lack of time to consolidate the results of experience are not currently pressing problems to the community at large, they are serious problems for State. Doubt exists at the moment as to Congressional approval of this project's line item in the FY 1964 Department budget, which already has been reduced from \$663,000 to \$250,000.

In addition to those problems of interagency organization and research personnel shortage which are mentioned in the

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basic report, I would also like to mention the high cost of data inputs. The processing of intelligence in preparation for input to a computer system is presently accomplished by people. Depending upon the system requirements, these persons index, abstract, and/or extract documents. The result is a high cost product which is generally useable in only that agency or department of government for which the computer system was designed.

Within the next five years we foresee technical advances which will drastically reduce these costs. These improvements should occur in the areas of: 1) the use of digital computers to index and abstract automatically electrical communications traffic; 2) improvements in character recognition devices and the development of page reading equipment; and 3) source data automation sub-systems. During the intervening period of from three to five years, the challenge is one of increasing the standardization and general compatibility of our intelligence processing and storage and retrieval systems in the several agencies.

IV - National Intelligence Estimates

Paragraph 1 (page 11) singles out the Board of National Estimates as being "well equipped" with the "qualifications and capabilities"

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and capabilities" which will "well serve" the Director of Central Intelligence and the USIB. Likewise paragraph 2 (page 12) refers to "estimates prepared by the Board of National Estimates." While not quarreling with the commendation, I believe the host of hardworking analysts from INR and other elements of the Community have a right to be surprised over the unique and proprietary role attributed in this way to the coordinating body. It is the essence of national estimates that they reflect the combined analytical capabilities of the entire Community, among which the admitted talents of the Board of National Estimates are by no means exclusive. Indeed we have long believed that the work of writing NIEs would be expedited if INR drafts on political subjects were regularly used as the tabled working drafts.

Paragraph 1 (page 12) contains a reassertion of the importance of each USIB member's "preserving and exercising his right of dissent and his privilege to express such dissents which is frequently done through footnotes to the estimates." We welcome your reaffirmation of USIB practice in this connection and note that the report specifically considers it a right to be exercised on the responsibility of the individual USIB member concerned.

Paragraph 4 (page 12)

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Paragraph 4 (page 12) states that the Strayer Report "represents the acceptable viewpoint on the questions raised by this particular objective." * To me the report is more than acceptable. Although to the best of my knowledge neither our INR personnel nor INR products were reviewed by the Strayer panel, I believe the report is unusually perceptive and stimulating. Its recommendations deserve the most serious consideration, support, and implementation.

* Changed in the final revision, and subsequent to INR review, to read: "represents the acceptable viewpoint on some of the questions raised by this particular objective."

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